

SKAKO

Remuneration report 2024 for SKAKO A/S

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1. Management's Statement - Remuneration Report

Management's Statement

The Board of Directors has today considered and adopted the Remuneration Report of SKAKO A/S for financial year 2024.

The Remuneration Report is prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report is submitted to the General Meeting for an indicative vote.

The Remuneration Report for 2023 was approved at the general meeting on 17 April 2024, with no additional comments.

The right to reclaim variable remuneration for 2024 has not been used.

Faaborg, 12 March 2025

Board of Directors

Jens Wittrup Willumsen
Chairman

Carsten Krogsgaard Thomas
Deputy chairman

Christian Herskind Jørgensen

Sophie Louise Knauer

2. Introduction

In 2024 the Board of Directors (in its role as Remuneration Committee) reviewed the remuneration policy of Executive Management to ensure the framework remains appropriate for our business model and that it supports our future ambitions.

The Board of Directors found that the remuneration policy supports the achievement of SKAKO's strategy.

The remuneration policy sets out the principles and framework for the full remuneration paid to members of the Board of Directors and the Executive Management of SKAKO. Executive Management includes all executives registered with the Danish Business Authority.

The overall objectives of the Remuneration Policy are:

- Attracting, retaining, and motivating qualified members of the Board of Directors and Executive Management.
- Ensuring alignment between the interests of the members of the Board of Directors and Executive Management, and those of the shareholders.
- Promoting the long-term interests and sustainability of SKAKO and supporting SKAKO's strategy in the short and long term.

The remuneration of the Board of Directors is comprised of a fixed fee.

The remuneration of the Executive Management is comprised of the following remuneration components:

- Fixed base salary
- Pension contributions
- Standard employee benefits, including a company car
- Cash bonuses (the Short-term Incentive Program (STIP))
- Share-based payments (the Long-term Incentive and Retention Program (LTIRP))

The fixed annual base salary is designed to attract, retain, and motivate qualified individuals with professional and personal competences required to support SKAKO's performance and business strategy. The fixed annual base salary is set to ensure that the total remuneration package is competitive and reasonable compared to relevant benchmarks.

Pension contributions are made to enable members of Executive Management to build up an income for retirement.

Other benefits are added to ensure that overall remuneration is competitive and aligned with local practice. Other benefits comprise of car, phone etc.

3. Business performance in 2024 and incentive outcomes

Overall financial performance on EBIT was below guidance for 2024, however with two very large contract with OCP amounting to more than DKK 150m the foundation for strong growth in both revenue and EBIT in 2025 and 2026 compared to 2024 was laid. The Executive Directors has been granted a cash bonus, based on the fulfillment of their agreed targets. Accrual for the cash bonus is included in the annual accounts and will be paid out after the general meeting in April 2025.

This is in line with SKAKO A/S' remuneration policy and fulfills the objectives stated above.

3.1 Performance under the Short-Term Incentive Program (STIP)

Overall financial performance on EBIT was below guidance for 2024, however with two very large contract with OCP amounting to more than DKK 150m the foundation for strong growth in both revenue and EBIT in 2025 and 2026 compared to 2024 was laid. The Executive Directors has been granted a cash bonus, based on the fulfillment of their agreed targets. Accrual for the cash bonus is included in the annual accounts and will be paid out after the general meeting in April 2025.

2024 KPI-evaluation	EBIT (Group)		Order intake		Recycling order intake (division)		External reporting		M&A proces		Implemen- tation new tools		Chairmans evaluation	
	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result
	Lionel Girieud, Managing Director SKAKO Vibration	50%	Below	20%	Above	20%	Below	0%	N/A	0%	N/A	0%	N/A	10%
Thomas Pedersen, Group CFO	30%	Below	0%	N/A	0%	N/A	15%	Below	30%	Equal to	15%	Equal to	15%	Equal to

This is in line with SKAKO A/S' remuneration policy and fulfills the objectives stated above.

3.2 Performance under the Long-Term Incentive and Retention Program (LTIRP)

The LTIRP program currently consists of warrants granted in 2021 and in 2024.

The program from 2021 is tied to exercise share prices of DKK 55 and exercise period is from April 2024 and two years ahead.

The program from 2024 is tied to exercise share prices of DKK 67.9. With a share price of DKK 81.2 on 31 December 2024, the program currently hold value to Executive Management.

The 2021 program was introduced in March 2021 and the 2024 program was introduces in July 2024.

This is in line with SKAKO A/S' remuneration policy and fulfills the objectives stated above.

4. Remuneration for the Board of Directors

2024 thousand DKK	Board fee	Comittee fee	Special fee	Fee subsidiaries	Other	Total
Jens Wittrup Willumsen*	463	19	-	-	-	481
Lars Tveen **	63					63
Carsten Krogsgaard Thomsen**	238	50	-	-	78	366
Christian Herskind Jørgensen	200	-	-	-	-	200
Sophie Louise Knauer	200	-	-	-	-	200
Total	1.163	69	-	-	78	1.310

* Chairman and member of the audit committee

** Deputy chairman and Chairman of the audit committee

The Board of Directors only receives a fixed fee. The fixed fee amounts to 200 tDKK in 2024 (200 tDKK in 2023).

The chairman of the Board of Directors receives 2.25 times the fixed fee, and the deputy chairman receives 1.5 times the fixed fee. The chairman of the audit committee receives 0.25 times the fixed fee in addition to the fixed fee, while other members of the audit committee receive 0.1 times the fixed fee in addition to the fixed fee.

The fee for the Board of Directors and participation in committees was established on the general assembly on 17 April 2024.

The chairman of the audit committee has received a time-based fee for his role in the divestment of selling the concrete division.

This is in line with SKAKO A/S' remuneration policy.

5. Remuneration for the Executive Management

Remuneration for members of the Executive Management is proposed by the Chairmanship and approved by the Board of Directors.

The individual remuneration packages are evaluated annually against relevant benchmarks of Danish and other Nordic companies like SKAKO in size and complexity.

The remuneration package consists of a fixed annual base salary and variable elements consisting of short (STIP) and long-term incentives (LTIRP). In addition, members of Executive Management receive a pension contribution and other benefits. This remuneration structure is deemed to be resilient in securing successful leadership in SKAKO whilst securing alignment with shareholder expectations.

5.1 Total remuneration for Executive Management:

2024 thousand DKK	Fixed salary				Variable salary			Total
	Base salary	Pension	Other benefits	Total	Cash bonus (STIP)	Share based incentive (LTIRP)	Total	
Lionel Girieud, Managing Director SKAKO Vibration	1.700	424	94	2.218	424	-	424	2.642
As % of total	64%	16%	4%	84%	16%	0%	16%	100%
Thomas Pedersen, Group CFO	1.550	155	207	1.912	410	425	835	2.747
As % of total	56%	6%	8%	70%	15%	15%	30%	100%
Total	3.250	579	301	4.130	834	425	1.259	5.389
As % of total	60%	11%	6%	77%	15%	8%	23%	100%

This is in line with SKAKO A/S' remuneration policy.

5.2 Cash bonus (STIP)

Overall financial performance was lower than or in line with target for 2024. Consequently, the Executive Directors has been granted a cash bonus, based on the fulfillment of their agreed targets. Accrual for the cash bonus is included in the annual accounts and will be paid out after the general meeting in April 2025.

This is in line with SKAKO A/S' remuneration policy.

5.3 Share based incentives (LTIRP)

Shared based incentives consists of a warrant program.

5.3.1 Warrants programs

The warrants granted in 2021 vested in 2024 with exercise period until April 2026. The warrants granted in 2024 are vesting in 2028 with exercise period until April 2030.

Warrants	Number of warrants 1					Number of warrants 31 December 2024	Fair value outstanding warrants (tDKK)
	January 2024	Granted	Forfeited	Expired	Exercised		
Lionel Girieud							
Granted 2021	40.000	0	0	0	0	40.000	676
Total	40.000	0	0	0	0	40.000	676
Thomas Pedersen							
Granted 2024	0	30.000	0	0	0	30.000	425
Total	0	30.000	0	0	0	30.000	425

6. Comparative five-year summary

thousand DKK	2024	%-change YoY	2023	%-change YoY	2022	%-change YoY	2021	%-change YoY	2020	%-change YoY	2019
Board of Directors											
Jens Wittrup Willumsen	481	-4%	500	0%	500	11%	450	13%	400	0%	400
Lars Tveen	63	0%	250	0%	250	43%	175	17%	150	0%	150
Carsten Krogsgaard Thomsen	366	-27%	502	-11%	565	151%	225	13%	200	0%	200
Christian Herskind Jørgensen	200	0%	200	0%	200	-11%	225	13%	200	0%	200
Samuel Waldorph Andreassen (until april 2020) **	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	150
Sophie Louise Knauer (from april 2020)	200	0%	200	0%	200	14%	175	17%	150	N/A	-
Total Board of Directors	1.310	-21%	1.652	-4%	1.715	37%	1.250	14%	1.100	0%	1.100
Executive management											
Lionel Girieud, managing director Vibration	2.642	8%	2.445	18%	2.077	-17%	2.500	35%	1.850	-6%	1.962
Steffen Kremmer, managing director Concrete (from 25 November 2019)*	-	N/A	3.219	13%	2.853	-12%	3.224	-85%	2.160	0%	212
Søren Pedersen, managing director Concrete (until 25 November 2019)*	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	1.703
Morten Kofod-Jensen, Group CFO (from January 1 2021 until October 31 2021)	-	N/A	-	N/A	-	N/A	1.676	N/A	-	N/A	-
Ulrik Damgaard (from October 1, 2021, until June 30, 2022)*	-	N/A	-	N/A	1.789	0%	361	N/A	-	N/A	-
Thomas Pedersen (from September 1, 2022)	2.747	37%	2.355	37%	1.721	N/A	-	N/A	-	N/A	-
Total Executive Management*	5.389	-33%	8.019	-5%	8.440	9%	7.761	94%	4.010	3%	3.877

* Percentage change computation is based on an annualised remunerations

** Samuel Waldorph Andersen did not receive fee for period January to April 2020

thousand DKK	2024	%-change YoY	2023	%-change YoY	2022	%-change YoY	2021	%-change YoY	2020	%-change YoY	2019
The Group and divisions results											
Concrete:											
EBIT**		N/A	16.900	50%	11.238	85%	6.078	7%	5.672	337%	1.298
After tax		N/A	11.830	60%	7.403	65%	4.474	68%	2.663	-11%	2.981
Vibration:											
EBIT**	25.324	-7%	27.157	15%	23.683	37%	17.319	47%	11.797	-37%	18.863
After tax	18.073	-35%	27.601	64%	16.842	39%	12.137	22%	9.958	-27%	13.620
SKAKO A/S											
EBIT**	10.326	-86%	71.922	-1302%	5.982	89%	3.161	32%	2.388	-2%	2.441
After tax	10.390	49%	6.973	743%	827	-122%	3.804	71%	2.229	-9%	2.441
Group:											
EBIT**	21.183	-7%	22.662	-22%	28.939	42%	20.323	34%	15.169	-16%	18.005
After tax	11.009	-86%	81.237	224%	25.074	90%	13.189	21%	10.859	-24%	14.246

** After special items

thousand DKK	2024	%-change YoY	2023	%-change YoY	2022	%-change YoY	2021	%-change YoY	2020	%-change YoY	2019
Average employee remuneration based on FTE											
Concrete	-	N/A	-	-100%	750	6%	710	2%	699	-3%	724
Vibration	471	-10%	524	-18%	638	13%	562	14%	494	-15%	579
Group***	471	-10%	524	-21%	665	5%	632	10%	577	-12%	655

***There are no FTE's employed in the parent company. All FTE's are employed in the divisions.

The table represents average remuneration for SKAKO Group and divisions. SKAKO A/S has no employees.

7. Summary of Board of Directors and Executive Managements share holdings in SKAKO A/S

	Status	Movements				Status
	1 January 2024	Buy	Vested	Exercised warrants	Sale	31 December 2024
Board of Directors						
Jens Wittrup Willumsen*	419.876	-	-	-	-	419.876
Christian Herskind Jørgensen*	509.000	-	-	-	-	509.000
Carsten Krogsgaard Thomsen	19.255	-	-	-	-	19.255
Sophie Louise Knauer	-	-	-	-	-	-
Total	948.131	-	-	-	-	948.131
Executive Management						
Lionel Girieud	5.166	-	-	-	-	5.166
Total	5.166	-	-	-	-	5.166
Total	953.297	-	-	-	-	953.297

8. Deviations from the Remuneration Policy

The fee for the chairman of the Board of Directors have declined from 2.5 times the fixed fee to 2.25 times the fixed fee in 2024 except this there have been no deviations from the Remuneration Policy in 2024.

9. Independent Auditor's Report on Remuneration Report

To the Shareholders of SKAKO A/S

We have examined whether the remuneration report for SKAKO A/S for the financial year 1 January - 31 December 2024 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Odense, 12 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Mikael Johansen
State Authorised Public Accountant
mne23318

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